



HIGH YIELD & DISTRESSED MARKET REVIEW

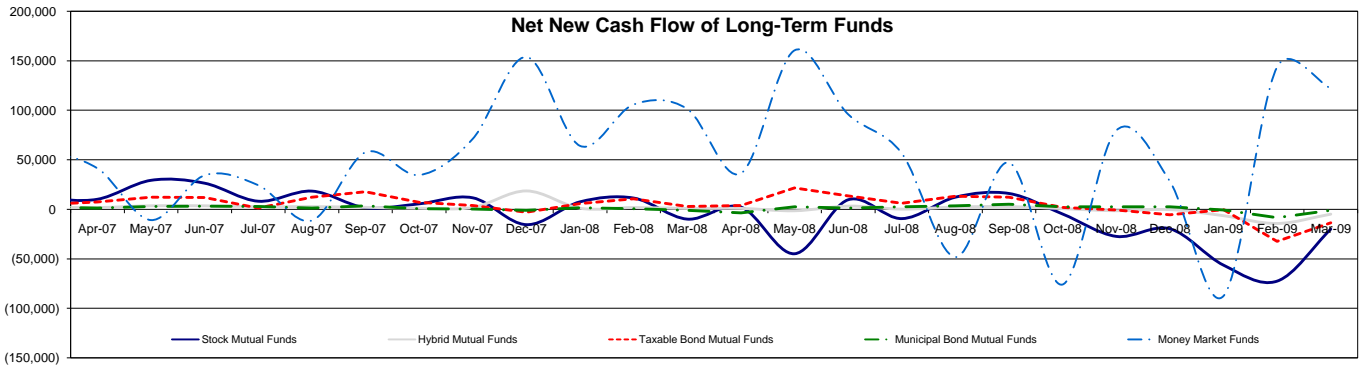
Issue 9 Week ending May 1, 2009

Key Market Indicators - Source: Bloomberg

	May 1, 2009		2 Week	2 Week	2 Week	2 Week	YTD	YTD
	Open	Close	High	Low	Change	Change %	Change	Change %
DJIA	8,168.12	8,212.41	8,212.41	7,841.73	81.08	1.00%	(\$22,28)	(6.41%)
Nasdaq	1,717.30	1,719.20	1,719.20	1,608.21	46.13	2.76%	86.99	5.33%
S&P 500	872.81	877.52	877.52	832.39	7.92	0.91%	(54.28)	(5.83%)
Russell 2000	487.56	486.98	491.47	452.49	7.61	1.59%	(18.86)	(3.73%)
OEX Volatility Index	36.50	35.30	39.18	35.30	1.36	4.01%	(3.89)	(9.93%)
Prime Rate	3.25%							
LIBOR	1 month	3 months	6 months	1 Year				
	0.41%	1.01%	1.55%	1.86%				

Net New Cash Flow of Mutual Funds - Source: Investment Company Institute (\$ in millions)

	Mar-09	Feb-09	Jan-09	Dec-08	Nov-08	Oct-08	Sep-08	YTD
Stock Mutual Funds	(\$27,538)	(\$24,881)	\$8,922	(\$20,432)	(\$19,983)	(\$72,444)	(\$56,363)	(\$43,497)
Hybrid Mutual Funds	(\$4,053)	(\$4,234)	(\$412)	(\$1,991)	(\$4,900)	(\$14,389)	(\$6,486)	(\$8,699)
Taxable Bond Funds	\$17,686	\$12,616	\$12,662	(\$2,699)	(\$13,424)	(\$32,357)	(\$349)	\$42,964
Municipal Bond Funds	\$3,341	\$4,349	\$3,851	(\$4,308)	(\$1,171)	(\$8,358)	(\$624)	\$11,541
Money Market Funds	(\$77,024)	(\$6,330)	\$59,473	\$109,353	\$122,206	\$143,520	(\$87,568)	(\$23,881)



Altman-NYU Salomon Center Defaulted Securities Indexes (December 1995=100)

Index	Mar-09	Feb-09	Jan-09	Dec-08	Nov-08	Oct-08	Sep-08	YTD
	Level	Level	Level	Level	Level	Level	Level	Return
Altman-NYU Defaulted Bank Loans Index	103.2	97.5	103.1	111.7	116.2	144.0	165.5	(7.63%)
Altman-NYU Defaulted Public Bonds Index	75.9	74.2	80.1	75.9	77.2	93.1	111.6	0.07%
Combined Bank Loan-Public Bond Index	101.8	97.4	103.7	105.9	109.7	134.3	157.1	(3.85%)
S&P 500 (Dividends Reinvested)	159.3	159.3	159.3	174.0	172.1	185.4	222.9	(11.01%)
Citigroup High Yield Index	174.7	160.7	179.8	170.6	157.4	174.4	206.0	4.97%

Distressed News

Story Description	Size (\$mil)	Date	*Source
Energy Partners Files For Bankruptcy In Deal With Bondholders	708.4	5/1/2009	DBR
Chrysler Enters Chapter 11 Protection To Complete A Massive Restructuring	55,200.0	4/30/2009	DBR
U.S. Shipping Partners Enters Chapter 11 Bankruptcy Protection	606.5	4/30/2009	DBR
Chemtura Wins Final Court Approval For \$400M Bankruptcy Loan	2,600.0	4/29/2009	DBR
Publisher Source Interlink Enters Chapter 11 Bankruptcy Protection	1,995.5	4/28/2009	DBR
LyondellBasell Joins U.S. Units In Bankruptcy To Stop Creditors	19,337.0	4/24/2009	DBR

*Source: Daily Bankruptcy Review ("DBR")

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The information contained in this newsletter has been compiled from a variety of news sources believed to be reliable. It is intended to provide general information about the high yield and distressed markets. It is not intended to be used as financial advice.



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Issue 9 Week ending May 1, 2009

M&A Announced Transactions - Source: Capital IQ

Target	Date	Acquirer	Value (\$mm)	Industry
Pepsi Bottling Group Inc.	4/19/2009	Pepsico, Inc.	11,169.9	Consumer
PepsiAmericas Inc.	4/19/2009	Pepsico, Inc.	4,296.1	Consumer
Sun Microsystems Inc.	4/19/2009	Oracle Corp.	8,347.5	Technology
Stiefel Laboratories, Inc.	4/20/2009	GlaxoSmithKline plc	3,600.0	Healthcare
Atlas Energy Resources LLC	4/27/2009	Atlas America Inc.	1,356.6	Energy
Emulex Corp.	4/21/2009	Broadcom Corp.	763.6	Technology
GE Homeland Protection Inc.	4/24/2009	Sagem Securite SA	580.0	Electronic Products

High Yield Credit Rating Upgrades for Last 2 Weeks - Source: Bloomberg

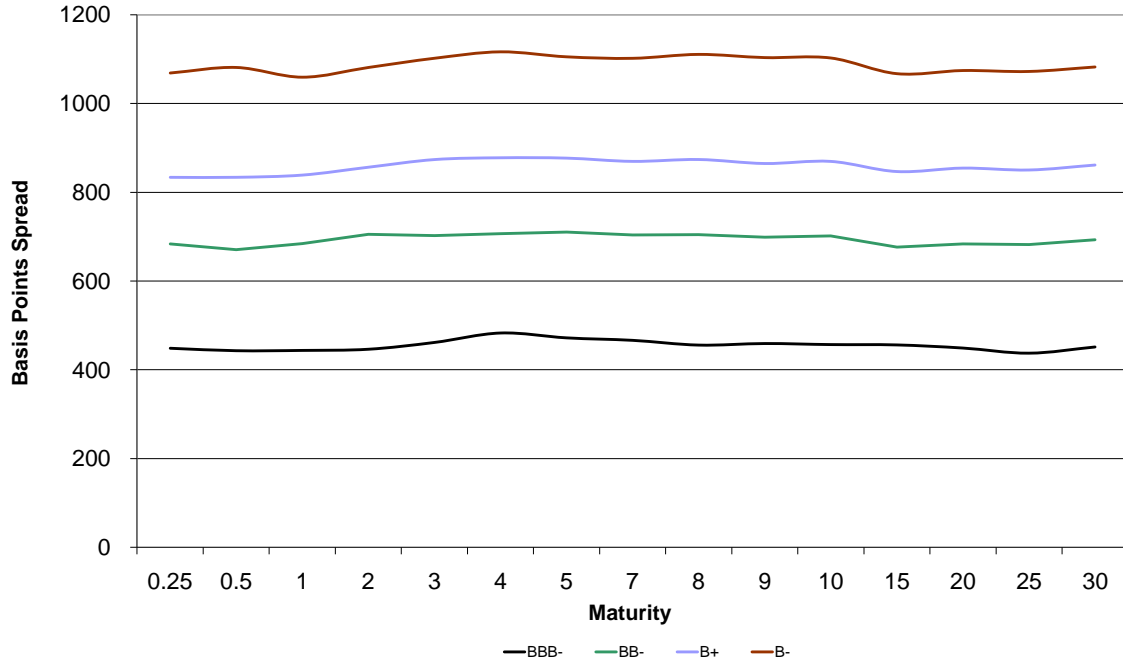
Company Name	Date	Rating Type	Agency	Current	Last	Industry
Fort Dearborn Co	4/30/2009	LT Local Issuer Credit	S&P	B	B-	Printing-Commercial
Alon Refining Krotz Springs Inc	4/28/2009	LT Local Issuer Credit	S&P	B +*	B- *	Oil Refining&Marketing
Broadridge Financial Solutions Inc	4/28/2009	LT Local Issuer Credit	S&P	BBB-	BB+	Data Processing/Mgmt
Southwest Gas Corp	4/24/2009	LT Local Issuer Credit	S&P	BBB	BBB-	Gas-Distribution
BioMarin Pharmaceutical Inc	4/22/2009	LT Local Issuer Credit	S&P	B	B-	Therapeutics
DPL Inc	4/22/2009	LT Local Issuer Credit	S&P	A-	BBB	Electric-Integrated
Dayton Power & Light Co/The	4/22/2009	LT Local Issuer Credit	S&P	A	BBB	Electric-Integrated
UGC Europe Inc	4/22/2009	LT Local Issuer Credit	S&P	B+ **	B+	Telecom Services
UnitedGlobalCom Inc	4/22/2009	LT Local Issuer Credit	S&P	B+ **	B+	Broadcast Serv/Program
Aflac Inc	4/21/2009	LT Local Issuer Credit	S&P	A-	A- *	Life/Health Insurance
AltaGas Income Trust	4/21/2009	LT Local Issuer Credit	S&P	BBB	BBB-	Pipelines
FSA Insurance Co	4/21/2009	LT Local Issuer Credit	S&P	AAA	AAA *	Reinsurance
Financial Security Assurance Inc	4/21/2009	LT Local Issuer Credit	S&P	AAA	AAA *	Financial Guarantee Ins
Pepsi Bottling Group Inc	4/20/2009	LT Local Issuer Credit	S&P	A +*	A	Beverages-Non-alcoholic
PepsiAmericas Inc	4/20/2009	LT Local Issuer Credit	S&P	A +*	A	Beverages-Non-alcoholic
Stratos Global Corp	4/20/2009	LT Local Issuer Credit	S&P	BB	B+	Satellite Telecom

High Yield Credit Rating Downgrades for Last 2 Weeks - Source: Bloomberg

Company Name	Date	Rating Type	Agency	Current Rating	Last Rating	Industry
Mark IV Industries Inc	5/1/2009	LT Local Issuer Credit	S&P	D	CCC+	Diversified Manufact Op
Source Interlink Cos Inc	5/1/2009	LT Local Issuer Credit	S&P	D	CCC	Commercial Services
Washington Post Co/The	5/1/2009	LT Local Issuer Credit	S&P	A+ **	A+	Schools
American Express Co	4/30/2009	LT Local Issuer Credit	S&P	BBB+	A *	Finance-Credit Card
Chrysler LLC	4/30/2009	LT Local Issuer Credit	S&P	D	CC	Auto-Cars/Light Trucks
Shiloh Industries Inc	4/30/2009	LT Local Issuer Credit	S&P	BB- **	BB-	Steel-Producers
TRW Automotive Inc	4/30/2009	LT Local Issuer Credit	S&P	B+ **	B+	Auto/Trk Prts&Equip-Orig
Unisys Corp	4/30/2009	LT Local Issuer Credit	S&P	CC *	B	Computer Services
Airborne Health Inc	4/28/2009	LT Local Issuer Credit	S&P	D	CCC	Vitamins&Nutrition Prod
Crescent Resources LLC	4/28/2009	LT Local Issuer Credit	S&P	CCC+ **	B	Real Estate Oper/Develop
SunTrust Bank/Atlanta GA	4/28/2009	LT Local Issuer Credit	S&P	A-	A+	Commer Banks-Central US
United States Steel Corp	4/28/2009	LT Local Issuer Credit	S&P	BB	BB+ **	Steel-Producers
Wilton Products Inc	4/28/2009	LT Local Issuer Credit	S&P	CCC+	B- **	Toys
Hollywood Theaters Inc	4/27/2009	LT Local Issuer Credit	S&P	CCC	B-	Theaters
Barzel Industries Inc	4/24/2009	LT Local Issuer Credit	S&P	CCC+ **	B *	Steel-Producers
Capmark Financial Group Inc	4/24/2009	LT Local Issuer Credit	S&P	B- *	B+ **	Diversified Finan Serv
CIT Group Inc	4/24/2009	LT Local Issuer Credit	S&P	BBB-	BBB	Finance-Commercial
Reichhold Industries Inc	4/24/2009	LT Local Issuer Credit	S&P	B-	B	Chemicals-Diversified
Sterigenics International Inc	4/24/2009	LT Local Issuer Credit	S&P	B	B+	Commercial Services
YRC Worldwide Inc	4/24/2009	LT Local Issuer Credit	S&P	CCC *	CCC **	Transport-Truck
Con-way Inc	4/23/2009	LT Local Issuer Credit	S&P	BBB- **	BBB-	Transport-Truck
Advanced Micro Devices Inc	4/22/2009	LT Local Issuer Credit	S&P	CCC+	B *	Electronic Compo-Semicon
Freedom Communications Inc	4/22/2009	LT Local Issuer Credit	S&P	CCC-	CCC+	Publishing-Newspapers
Liberty Global Inc	4/22/2009	LT Local Issuer Credit	S&P	B+ **	B+	Broadcast Serv/Program
New York Times Co/The	4/22/2009	LT Local Issuer Credit	S&P	B+ **	BB-	Publishing-Newspapers
Nortek Inc	4/22/2009	LT Local Issuer Credit	S&P	CCC	B-	Bldg&Construct Prod-Misc
NV Broadcasting LLC	4/22/2009	LT Local Issuer Credit	S&P	CCC	CCC+	Radio
Parkin Broadcasting LLC	4/22/2009	LT Local Issuer Credit	S&P	CCC	CCC+	Television
Ryerson Inc	4/22/2009	LT Local Issuer Credit	S&P	B-	B *	Steel-Producers
SCANA Corp	4/22/2009	LT Local Issuer Credit	S&P	BBB+	A-	Electric-Integrated
South Carolina Electric & Gas Co	4/22/2009	LT Local Issuer Credit	S&P	BBB+	A-	Electric-Integrated
ION Media Networks Inc	4/21/2009	LT Local Issuer Credit	S&P	CC	CCC	Television
Dayton Superior Corp	4/20/2009	LT Local Issuer Credit	S&P	D	CCC-	Bldg Prod-Cement/Aggreg
Gray Television Inc	4/20/2009	LT Local Issuer Credit	S&P	CCC+	B- **	Broadcast Serv/Program
Toshiba America Inc	4/20/2009	LT Local Issuer Credit	S&P	BBB *	BBB	Electronic Compo-Misc
Metokote Corp	4/17/2009	LT Local Issuer Credit	S&P	CCC+	B *	Metal-Iron

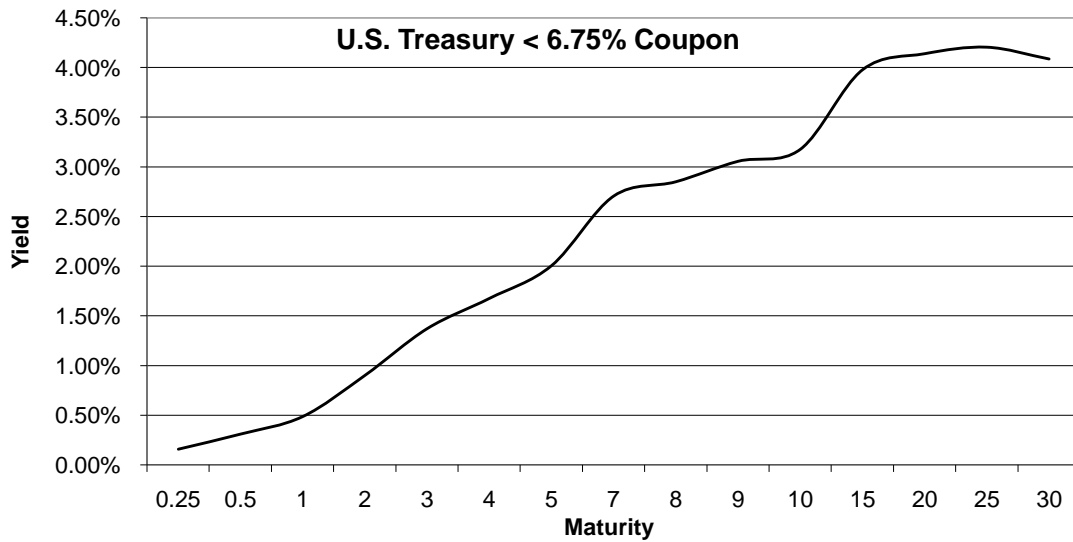


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Change in spread to US treasuries with coupons < 6.75% (7 Year)

	Time Period of Change			
	2 weeks	3 months	6 months	1 year
BBB-	(31)	(48)	(4)	235
BB-	(87)	(405)	(134)	239
B+	(76)	(256)	(47)	352
B-	(77)	(239)	(81)	468





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ADDISON

a subsidiary of
Fedders Corporation,
has been acquired by
Roberts-Gordon LLC,
a portfolio company of **Eastport
Operating Partners**

Financial advisor to
Fedders Corporation

> RESTRUCTURING /
SECTION 363 ASSET SALE

**BHM
Technologies**

has completed a
Chapter 11 reorganization
\$375 million

Financial advisor to the official
committee of unsecured creditors

> RESTRUCTURING

DURA

Automotive Systems

has completed a
Chapter 11 reorganization
\$1.5 billion

Financial advisor to the official
committee of unsecured creditors

> RESTRUCTURING

**GLOBAL
POWER**
EQUIPMENT GROUP

has completed a
Chapter 11 reorganization
\$256 million

Financial advisor to the official
committee of unsecured creditors

> RESTRUCTURING

PALCO

and its subsidiary
Scotia Pacific Company LLC

has completed a
Chapter 11 reorganization
\$950 million

Financial advisor to the official
committee of unsecured creditors

> RESTRUCTURING

Pierre™

Pierre Foods

has completed a
Chapter 11 reorganization
\$380 million

Financial advisor to the plan sponsor

> RESTRUCTURING

**THE
WORNICK
COMPANY**

has completed a
Chapter 11 reorganization
\$224 million

Financial Advisor to the Ad-Hoc
Committee of Senior Secured
Noteholders

> RESTRUCTURING